

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

**FILED**

10-04-16  
03:28 PM

October 4, 2016

Agenda ID #15215  
Ratesetting

TO PARTIES OF RECORD IN INVESTIGATION 12-10-013 ET AL.:

This is the proposed decision of the Administrative Law Judge Division. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's November 10, 2016 Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties to the proceeding may file comments on this proposed decision as provided in Article 14 of the Commission's Rules of Practice and Procedure (Rules), accessible on the Commission's website at [www.cpuc.ca.gov](http://www.cpuc.ca.gov). Pursuant to Rule 14.3, opening comments shall not exceed 15 pages.

Comments must be filed, pursuant to Rule 1.13, either electronically or in hard copy. Comments should be served on parties to this proceeding in accordance with Rules 1.9 and 1.10. Electronic and hard copies of comments should be sent to the Intervenor Compensation Program at [lcompcoordinator@cpuc.ca.gov](mailto:lcompcoordinator@cpuc.ca.gov). The current service list for this proceeding is available on the Commission's website at [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

/s/ RICHARD SMITH for  
Karen V. Clopton, Chief  
Administrative Law Judge

KVC:ek4  
Attachment

Decision **PROPOSED DECISION OF ALJ DIVISION** (Mailed 10/4/2016)

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation on the Commission's Own Motion into the Rates, Operations, Practices, Services and Facilities of Southern California Edison Company and San Diego Gas and Electric Company Associated with the San Onofre Nuclear Generating Station Units 2 and 3.

Investigation 12-10-013  
(Filed October 25, 2012)

And Related Matters.

Application 13-01-016  
Application 13-03-005  
Application 13-03-013  
Application 13-03-014

### DECISION GRANTING COMPENSATION TO FRIENDS OF THE EARTH FOR SUBSTANTIAL CONTRIBUTION TO DECISION 14-11-040

<b>Intervenor:</b> Friends of the Earth (FOE)	<b>For contribution to Decision 14-11-040</b>
<b>Claimed:</b> \$483,503.01	<b>Awarded:</b> 72,289.37 (~85.05% reduction)
<b>Assigned Commissioner:</b> Catherine J.K. Sandoval	<b>Assigned ALJ:</b> ALJ Division <sup>1</sup>

### PART I: PROCEDURAL ISSUES

<b>A. Brief description of Decision:</b>	In Decision 14-11-040, the Commission approved a Settlement as amended and restated by the Settling Parties, one of which Settling Parties was Claimant Friends of the Earth. This Decision provides resolution of rate recovery issues related to the premature shutdown of San Onofre Nuclear Generating Station (SONGS), following a steam generator tube leak on January 31, 2012. The primary
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<sup>1</sup> This proceeding was assigned to Judge Melanie Darling who has since retired from the Commission.

	result of the settlement is ratepayer refunds and credits of approximately \$1.45 billion. Moreover, instead of allowing the utilities to collect the usual authorized rate of return in connection with their allowed, undepreciated net investment in SONGS, the settlement reduces shareholders return on SONGS investments to less than 3%. The effect is that ratepayers will save approximately \$420 million over the ten-year depreciation period.
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**B. Intervenor must satisfy intervenor compensation requirements set forth in Public Utilities Code §§ 1801-1812:**

	<b>Claimant</b>	<b>CPUC</b>
<b>Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):</b>		
1. Date of Prehearing Conference (PHC):	January 8, 2013	Verified.
2. Other Specified Date for NOI:	N/A	
3. Date NOI Filed:	February 6, 2013	Verified.
4. Was the NOI timely filed?		Yes, Friends of the Earth (FOE) timely filed the notice of intent to claim intervenor compensation.
<b>Showing of customer or customer-related status (§ 1802(b)):</b>		
5. Based on ALJ ruling issued in proceeding		I.12-10-013 et al.
6. Date of ALJ ruling:		March 11, 2013 (e-mail)
7. Based on another CPUC determination (specify):	Decision 14-10-022 October 6, 2014	
8. Has the Intervenor demonstrated customer or customer-related status?		Yes, FOE demonstrated appropriate customer-related status.
<b>Showing of “significant financial hardship” (§ 1802(g)):</b>		
9. Based on ALJ ruling issued in proceeding		I.12-10-013 et al.

10. Date of ALJ ruling:		March 11, 2013 (e-mail)
11. Based on another CPUC determination (specify):	Decision 14-10-022 October 6, 2014	
12. Has the Intervenor demonstrated significant financial hardship?		Yes, FOE demonstrated significant financial hardship.
<b>Timely request for compensation (§ 1804(c)):</b>		
13. Identify Final Decision:	D.14-11-040	Verified.
14. Date of Issuance of Final Order or Decision:	November 25, 2014	Verified.
15. File date of compensation request:	January 23, 2015	Verified.
16. Was the request for compensation timely?		Yes, FOE timely filed the request for compensation.

**C. Additional Comments on Part I:**

#	CPUC Response	Intervenor's Comment(s)
8, 12	Administrative Law Judge Darling's Ruling (via e-mail), from March 3, 2013, certified Friends of the Earth as an intervenor in the present proceeding	Decision (D.) 14-10-022, granted FOE compensation in R.12-03-014 on October 6, 2014. D.14-10-022 found that, based on FOE's showing in its NOI in that proceeding, FOE qualifies for Category 3 customer status consistent with the requirements of Pub. Util. Code § 1802(b), and that FOE has demonstrated significant financial hardship consistent with the requirements of Pub. Util. Code § 1802(g). FOE's showing in this proceeding, is identical to the showing it made in its NOI in R.12-03-014. Hence, the Commission finds that FOE qualifies for Category 3 customer status consistent with the requirements of Pub. Util. Code § 1802(b), and that FOE has demonstrated significant financial hardship consistent with the requirements of Pub. Util. Code § 1802(g).

**PART II: SUBSTANTIAL CONTRIBUTION****A. Did the Intervenor substantially contribute to the final decision (see § 1802(i), § 1803(a) & D.98-04-059)?**

Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
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<p>FOE's substantial contribution in this case relates to its unique role, starting shortly after the SONGS plant went out of service on January 31, 2012, in providing technical information to the Commission: (1) to initiate and inform the scope of the investigation that is the subject of D.14-11-040; (2) to focus on the issues associated with the liability for the defective design of the failed replacement steam generators; and (3) to pressure Edison to agree to a reasonable settlement of this case; and (4) once a reasonable settlement was developed, to actively support that settlement.</p> <p>From March to October of 2012, before this OII was initiated, FOE personnel made several trips to California to meet with Commissioners' offices and Commission staff, to provide technical information to inform the scope of the OII. During this same period, FOE commissioned independent nuclear engineer, Arnie Gundersen, to produce a series of technical papers which fully revealed the nature, causes and origins of the steam generator failure and commissioned an economic analysis by IEER laying out the case that San Onofre was not economic when factoring in the costs of the new, replacement steam generators and other repairs/upgrades. Taken together, these documents provided significant input to the technical and economic issues that were set forth in the OII.</p>	<p>Order Instituting Investigation, filed October 25, 2012.</p> <p>Motion for Party Status of Friends of the Earth, filed October 25, 2012, pp. 2-3.</p> <p>Motion of Friends of the Earth and World Business Academy for Expedited Consideration of Certain Phase 3 Issues, filed March 11, 2013.</p> <p>Emergency Motion of Friends of the Earth and the World Business Academy for Commission Determination of the lack of Cost-Effectiveness of Southern California Edison Company's Proposed Partial restart Plan for Unit 2, filed March 21, 2013.</p> <p>Joint Motion of Settling Parties for Adoption of Settlement Agreement, filed April 3, 2014. Seem, in particular, the language at pp. 40-41 of this Joint Motion, in which it states: "CUE and FOE have likewise been active in this proceeding by serving data requests, briefing critical legal issues, and participating at Commission conferences."</p> <p>Joint Reply Comments of Settling Parties in Support of Motion for Adoption of Settlement Agreement, filed May 22, 2014.</p> <p>Discovery: FOE-SCE-001 and FOE-SCE-002: FOE's discovery requests led directly to the release by SCE of the "Nunn letters" and other documents that revealed prior</p>	<p>This Proceeding opened on October 25, 2012. Pursuant to § 455.5 and other authority, the Commission was disposed, if not required, to initiate an investigation into the SONGS shutdown. While the Commission may compensate intervenors for participation that occurred prior to the start of a proceeding (<i>see</i> Rule 17.4), the costs of such participation must be reasonable and the work must be verifiable and substantially contribute to the Commission's decisionmaking process. FOE's work prior to the commencement of the proceeding is not part of the record. There is no evidence that the technical documents FOE prepared prior to the proceeding were used in the decision-making process. Therefore, FOE's participation prior to the start of the proceeding did not substantially</p>
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<p>To FOE's knowledge, there was no other organization that took such an active role in moving the Commission to take a serious look at why the nearly new replacement steam generator at San Onofre Unit 3 failed and with what implications.</p> <p>Indeed, the Order Instituting</p>	<p>knowledge by SCE of design problems with the RSGs and their implications.</p>	<p>contribute to the decision adopted in this proceeding and is not compensable. Such non-compensable work includes the claimed meetings with commissioners, Commission staff, and all work spent producing claimed technical papers.</p> <p>In addition, FOE claims “no other organization that took such an active role in moving the Commission to take a serious look at why the nearly new replacement steam generator at San Onofre Unit 3 failed and with what implications.” This statement is not verifiable for the period prior to opening the OII, and inaccurate as to positions taken in the proceedings, e.g., TURN, A4NR, WBA, WEM, and Ruth Henricks each sought to explore the causes of the failure and costs.</p> <p>FOE states that it commissioned two economic analyses. These reports are</p>
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<p>Investigation that was adopted by the Commission on October 25, 2012 squarely raised several key issues that had been a subject of substantial earlier communication between FOE and the Commission, including, notably, the cost-effectiveness of continued operation of San Onofre. FOE contended repeatedly, both in meetings with Commissioners' offices before the OII was initiated, as well as in its filings after the OII was initiated, that the costs of maintaining San Onofre in the future would be substantially greater than the costs of serving ratepayers with readily available alternatives. As part of this effort, FOE commissioned two economic analyses, one from Arjun Makhijani of IEER and the other from Steve Moss of MCubed.</p>		<p>not part of the record, did not contribute to the Commission's decision making process, and did not substantially contribute to proceeding D.14-11-040. As such, FOE's hours for this work are not compensable.</p> <p>FOE was not part of the four-party settlement discussions. Pursuant to D.94-10-029, the Commission has discretion to award compensation to parties who participated in settlement agreements, when there is a finding that they made a substantial contribution to a decision. We award limited hours for this participation based on FOE's subsequent active support of the settlement agreement.</p>
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<p>FOE made a major contribution to the resolution of the case, as well. To put it bluntly, FOE, more than any other non-utility party, had amassed the evidence, referred to above, that persuaded Edison to concede a billion dollars and settle. The FOE evidence was crucial in averting years of expensive litigation. FOE actually initiated settlement negotiations with one of the utilities that owned San Onofre, namely, SDG&amp;E, shortly after the OII was initiated. FOE continued to work behind the scenes to encourage such a settlement through most of 2013. FOE saw settlement of this case as the best path forward for ratepayers. Accordingly, FOE joined the Settling Parties to support the Settlement right after the settlement conference, actively supported the settlement in oral arguments before the Commission, and FOE is a signatory to the Settlement and to the various documents accompanying it.</p> <p>Well before the issues raised in the Investigation came on for hearing, FOE was actively preparing to make a compelling case that SCE and SDG&amp;E would be required to expend billions of dollars of funds in order to maintain San Onofre in operation for the long term, as well as that the alternatives to the energy that San Onofre had provided in the past would result in overall lower costs to consumers than would continued</p>		<p>FOE presents no evidence of and provides no link to its substantial contribution. Such “preparation” did not influence the Commission’s decisionmaking process and is not compensable.</p> <p>FOE was not part of the four-party settlement discussions. Pursuant to D.94-10-029, the Commission has discretion to award compensation to parties who participated in settlement agreements, when there is a finding that they made a substantial contribution to a decision. We award limited hours for this participation.</p>
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<p>reliance on San Onofre.</p> <p>The fact that SCE ultimately determined to permanently close the plant spared FOE of the necessity to present its case on these points, because SCE's determination to close the plant was, effectively, a concession that the technical and economic points that FOE had been preparing to bring before the Commission in evidentiary hearings were valid. In other words, SCE's decision to close the plant essentially made FOE's case without FOE being put through the trouble of having to make that case by itself. Indeed, FOE's most important contribution to this proceeding and to Commission Decision D.14-11-040 is the fact of SCE's decision to close the plant, which is essentially what FOE had been advocating for, both before and after the Investigation was initiated. Plant closure is the sum and substance of what FOE was seeking to accomplish in this proceeding, and FOE has succeeded in achieving its main goal in this case.</p> <p>This was a case that FOE contributed significantly to the initiation of, but FOE also made a major contribution to the resolution of this case, as well. On March 20, 2014, SCE announced a settlement conference, which took place on March 27, 2014. The proposed settlement addressed the financial issues that had been addressed in Phases 1 and 2 of the</p>		<p>[Due to a technical error by FOE, the text, at left, was not included in the PDF claim found on the docket card.]</p>
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Investigation. These issues had been litigated in 2013. FOE observed, but did not actively participate in that litigation, because it had been preparing intensely for addressing the Phase 3 issues, relating to liability for the failure of the replacement steam generators, the exorbitant [.]		
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**B. Duplication of Effort (§§ 1801.3(f) & 1802.5):**

	<b>Intervenor's Assertion</b>	<b>CPUC Discussion</b>
<b>a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding?</b>	Yes.	Verified.
<b>b. Were there other parties to the proceeding with positions similar to yours?</b>	Yes.	Verified.
<b>c. If so, provide name of other parties:</b> TURN, the World Business Academy, ORA.		Verified.
<b>d. Intervenor's claim of non-duplication:</b>  FOE collaborated closely with the World Business Academy ("WBA") in jointly filing two motions in March of 2013, which motions sought to accelerate the Commission's consideration of Phase 3 issues, which both parties considered to be addressing the key issues of SCE's potential liability for the failed replacement steam generators and of the lack of cost-effectiveness of a re-start of San Onofre. In the view of FOE and the WBA, the Phase 1 and 2 hearings, addressing as they did, SCE's (and SDG&E's) past expenses in connection with operating the plant and how those expenses should be allocated as between shareholders and ratepayers were something of a sideshow, because the financially much bigger question of liability for the failure of the replacement steam generators that was to be addressed in Phase 3 dwarfed the question of the allocation of past expenses. Indeed, the ultimate litigation of Phase 3 issues could have resulted in a substantial re-calculation of the allocation of Phase 1 and Phase 2 funds had the evidence shown SCE to be liable for the failure.  FOE also avoided duplication with parties such as TURN and ORA, whose efforts focused on Phase 1 and Phase 2 issues. FOE trusted TURN and DRA to represent the interests of ratepayers that FOE is also highly supportive of. FOE's restriction of its efforts in Phase 1 -- before SCE announced the plant shutdown -- demonstrates FOE's commitment to avoid duplication of effort in this proceeding.  Finally, FOE collaborated closely with TURN and the WBA in the preparation		Verified.

<p>of legal briefing submitted in February and March of 2013 on Legal Issues Associated With Removing San Onofre Nuclear Generating Station Costs From Rates. The briefs on this topic that were submitted on February 25 and March 7, 2013 were a joint effort of these three parties and were signed by the attorneys for all three parties, thereby demonstrating FOE's careful attention to the need to avoid duplication of effort and to collaborate with like-minded parties whenever possible.</p>	
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### **PART III: REASONABLENESS OF REQUESTED COMPENSATION**

#### **A. General Claim of Reasonableness (§§ 1801 & 1806):**

##### **a. Intervenor's claim of cost reasonableness:**

FOE's participation in numerous meetings with Commissioners and staff before the initiation of the Commission's investigation made a significant contribution to the Commission's decision to initiate that Investigation. Once the Investigation was initiated, FOE thereupon focused on efforts to make the case that a re-start of San Onofre would cost billions of dollars and would not be cost-effective to ratepayers. SCE's decision to permanently shut the plant down essentially validated all the points that FOE had been working on so assiduously toward the goal of making its case in evidentiary hearings, thereby freeing FOE from having to move forward to bring its witnesses to California, put them on the witness stand and spend many, many hours briefing its case.

FOE only undertook tasks or activities that it deemed necessary to be able to make an effective presentation of its core concern to decision-makers, specifically, that the plant should not be re-started and should, rather, be permanently shut down. This involved the preparation of motions, the conduct of discovery, attendance at hearings, negotiation with various other parties to explore possible settlement options, and, ultimately, constructive participation in the settlement process.

All of FOE's tasks were reasonably calculated to achieve its core interest in this proceeding and all bear a reasonable relationship to the ultimate outcome of this proceeding: the permanent shutdown of San Onofre and a Settlement that accomplishes a reasonable balancing of the equities as between shareholders and ratepayers. FOE's ultimate request for compensation of **\$483,503.01** is reasonable in light of the complexity and difficulty of pulling together the highly sophisticated technical and economic evidence that supported the initiation and scoping of the OII and that FOE intended to present had there been a Phase 3 to this proceeding, and in light of the associated attorney

##### **CPUC DISCUSSION**

FOE's use of experts and the preparation of reports and analyses that are not part of the record of this proceeding were not reasonable and such hours are not compensable.

<p>time and FOE staff effort needed to make this case.</p> <p>All of the consultants whose bills are reflected in Attachment 2 were part of the team that FOE assembled in order to be able to make its case. FOE assembled a technical team, and developed the information needed to be able to make its case to the Commission, very shortly after the Replacement Steam Generators failed. FOE knew early on that the Commission would ultimately have to look in detail into the whys and wherefores of the RSG failures, and its efforts were directed to the task of seeking to understand why, in the first place, the RSGs failed and whether Edison was at fault. Indeed, without FOE's early effort to develop this knowledge, there would not have been nearly as strong a factual basis for the Commission to initiate this OII as there ultimately was.</p>	
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**b. Reasonableness of Hours Claimed.**Attorneys

FOE takes seriously its responsibility to California's ratepayers as an intervenor. Its hours are reasonable and reflect conscientious efforts to limit the expenses associated with participation to solely those topics pertinent to FOE's key concerns. FOE reviewed all relevant filings, as is necessary to competently participate in the proceeding, but limited its active participation in client strategy meetings to only one attorney. For attorney hours, FOE effectively delegated appropriate tasks to attorneys Timothy Lindl and Thad Culley, limiting to the extent possible the higher billing rate of its lead attorney, Laurence Chaset. FOE avoided duplication of hours, to the extent possible, by primarily conducting its meetings with its lead attorney and by also substantially limiting participation in the Phase 1 and Phase 2 hearings and the associated briefing that did take place. The hours spent by FOE's attorneys to research and draft the documents submitted in this proceeding are reasonable and within the customary range for projects of similar complexity and scope.

FOE Staff

The time billed by FOE staff and consultants were all directly related to the production of evidence that FOE intended to present in this proceeding in Phase 3. Damon Moglen, the paid FOE staffer, and Dave Freeman, acting as a volunteer advisor, were primarily responsible for this case, spent a large percentage of their time over a two-year period on this one case at the CPUC, and worked closely with FOE's lawyers to develop the materials that were submitted via motions and discovery requests and with FOE's consultants to develop the studies and reports that conclusively demonstrated that the steam generators at San Onofre had been incorrectly designed and would have to be replaced at massive cost to ratepayers. Some of FOE's studies contributed to establishing the scope of the OII itself. Moreover, all of the reports and affidavits referenced in the FOE staff and consultant time billings included in Attachment 2 were prepared with the intent that they would be used in testimony for evidentiary hearings at the Commission during Phase 3 of this OII.

FOE Consultants

In the Spring and Summer of 2012, as FOE encouraged the PUC to launch an OII investigation, its technical consultant, Arnie Gundersen, produced four technical papers that fully described the nature, severity and implications of the design errors and steam generator failure at San Onofre. These papers, circulated by FOE among PUC officials, provided the Commission with a firm basis for its decision to include in the OII a Phase 3, the purpose of which was to determine whether Edison had acted prudently or not in connection with the RSG failures. During this same period, FOE commissioned an economic study from Arjun Makhijani, of the Institute for Energy and Environmental Research, which provided estimates about the future costs of San Onofre, factoring in the necessary cost of replacing the defective steam generators. This study was also shared directly with PUC staff before

Verified, but *see* CPUC Disallowances and Adjustments, below, and Part II.A, above.

In Phases 1, 1A, and 2 of the proceeding, FOE did not serve testimony, did not conduct cross-examinations, did not file post-hearing briefs, and did not file comments on the proposed decision. FOE's filings were limited to a prehearing conference statement, a motion for party status, the notice of intent to claim intervenor compensation, and a denied joint motion. A majority of FOE's claimed hours are duplicative of other parties and are not supported by the record. These hours did not substantially contribute to the Commission's decision-making process.

<p><b>c. Allocation of hours by issue:</b></p> <p>The timesheets included in Attachment 2 demonstrate that the great majority of FOE's efforts in this proceeding fall into three main categories.</p> <p>(1) The first of these main categories (designated as Category A in the attached timesheets) consists primarily of the initial effort on the part of FOE staff to inform the Commission of the information that FOE had gained in order to broaden the scope of the investigation that is the subject of D.14-11-040. This effort included close work by FOE staff with FOE's consultants to develop sophisticated technical analyses that demonstrated to the Commission that the steam generators at San Onofre had been incorrectly designed and would have to be replaced at massive cost to ratepayers. The information that FOE provided to the Commission in this regard was a key factor in prompting the Commission to shape the Investigation that ultimately led to D.14-11-040. Nearly a third of FOE staff time for which an intervenor compensation award is sought, as well as approximately 40% of the time billed to FOE by its consultants who performed this indispensable analysis, relates directly to this initial effort.</p> <p>(2) The second major category of expense (designated as Category D in the attached timesheets) relates to FOE's preparation to make the case -- in what was ultimately scoped as Phase 3 of the proceeding -- for SCE's ultimate liability for the defective design of the failed replacement steam generators. SCE's determination in June of 2013 to permanently close the plant ultimately made it unnecessary for FOE to present this case, but the evidence that FOE had prepared for the eventuality that it would have to make this case was known to SCE and greatly influenced their decision to settle this case. Approximately 60% of FOE's consultants' time that was billed to FOE was directly associated with this effort, as was nearly 30% of the FOE staff time, and over a third of FOE's attorneys' time.</p> <p>(3) Finally, FOE devoted considerable time and effort, starting settlement discussions as early as within a month after the Commission initiated this Investigation, to work toward a fair and reasonable settlement of the issues that were raised in this Investigation. FOE's settlement-related efforts are designated as Category E in the attached timesheets. Indeed, much of the effort that FOE expended in other aspects of this case was intended to put pressure on SCE to agree to a reasonable settlement of this case; and once such a settlement was developed, FOE actively engaged in significant efforts to advance and support that settlement. Some 15% of FOE's lawyers' time, and nearly 20% of FOE's overall staff time that was dedicated to this case directly</p>	<p>Verified.</p> <p>Preparation for work that ultimately was neither utilized nor submitted to the Commission does <u>not</u> substantially contribute to the Commission's decision-making process. As such, no compensation is awarded for Categories A, C, and D, as such work did not substantially contribute to the proceeding.</p> <p>Because of the excessive hours claimed by FOE, and the lack of participation in the proceeding and settlement, as evidenced by the record, the Commission must reduce FOE's award, after the reductions, detailed below, are made. Here, much of FOE's work was not utilized in the fair determination of the proceeding as settled. The Commission determines that a 20% reduction to the overall award is required in order to properly administer</p>
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<p>related to this settlement process.</p> <p>The other categories of effort that FOE devoted to this case included:</p> <p>Category B - participation in discovery, which is an essential component of a party's participation in a complex and difficult case such as this. Only 7% of FOE staff time was associated with this effort, but more than 10% of FOE's lawyers' time was needed to probe SCE in order to help get to the bottom of the key issues that FOE needed to address in Phase 3 of the proceeding.</p> <p>Category C - participation in addressing the issues of how much money the utilities should be authorized to collect for maintaining and attempting to repair the damaged plant after the RSGs had to be shut down, and how much of the money they had been collecting from ratepayers that was earmarked for San Onofre should be refunded to ratepayers. These were the issues that were the focus of Phases 1 and 2 of the proceeding. As was noted in Part II.B.d. above, in order to avoid duplication of effort, FOE trusted TURN and ORA to take the lead in representing the interests of ratepayers (which FOE is also highly supportive of) in these phases. Accordingly, FOE's attorneys allocated only just over 10% of their billings in this case, and FOE staff devoted only about 5% of its time, focused on the testimony, hearings and briefing that occupied, by far, the largest percentage of Commission time involved in this case until the proposed Settlement was announced in March of 2014.</p> <p>Category F - participation in legal briefing on threshold legal issues addressing the Commission's authority to proceed with the Investigation. FOE's attorneys coordinated closely with other parties, notably TURN and the World Business Academy, in this briefing effort, which ultimately resulted in an April 30, 2013 Ruling that endorsed the positions that FOE and its allies had presented in their joint Brief. FOE's attorneys allocated about 6% of their billings in this case to this successful effort.</p>	<p>the intervenor compensation program in accordance with the controlling statutes.</p>
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**B. Specific Claim:\*\***

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours [1]	Rate	Total \$
L. Chaset	2012	43.2	\$350/hr	Res. ALJ-281	\$ 15,120.00	20.8 [2]	\$350.00	7,280.00
L. Chaset	2013	165.0	\$360/hr	Res. ALJ-	\$ 58,714.00	30.50	\$355.00	10,827.00

L. Chaset	2014	33.2	\$370/hr	Res. ALJ-281	\$ 11,840.00	22.96	\$365.00 [3]	8,380.40
T. Lindl	2012	5.7	\$215/hr	Res. ALJ-281	\$ 1,731.00	00.00 [4]	\$155.00	00.00
T. Lindl	2013	146.7	\$225/hr	Res. ALJ-281	\$ 32,535.00	38.00	\$160.00 [5]	6,080.00
T. Culley	2013	190.0	\$210/hr	Res. ALJ-281	\$ 37,854.00	76.08 [6]	\$195.00 [7]	14,835.60
E. Pica	2012	42.5	\$200/hr	See Attachment 4	\$ 8,500.00	3.60	\$200.00 [8]	720.00
E. Pica	2013					1.40	\$205.00	287.00
E. Pica	2014					1.20 [9]	\$210.00	252.00
D. Moglen	2012	489.8	\$150/hr	See Attachment 4	\$ 73,470.00	32.80	\$150.00	4,920.00
D. Moglen	2013					47.20	\$155.00	7,316.00
D. Moglen	2014					44.20 [10]	\$160.00	7,072.00
S. Burnie	2012	55.0	\$130/hr	See Attachment 4	\$ 7,150.00	00.00	\$130.00	1,111.50
S. Burnie	2013					5.00 [11]	\$135.00	675.00
K. Ulrich	2012	29.75	\$75/hr	See Attachment 4	\$ 2,231.25	00.00	\$75.00	00.00
K. Ulrich	2013					00.00	\$75.00	00.00
S. Moss	2013	94.5	\$225/hr	See Attachment 4	\$ 21,262.50	00.00	\$210.00 [12]	00.00
S. Cohen	2013	10.0	\$150/hr	See Attachment 4	\$ 1,500.00	00.00 [13]	\$85.00	00.00
A. Spalding	2013	92.5	\$150/hr	See Attachment 4	\$ 13,875.00	00.00 [14]	\$85.00	00.00
A. Gundersen	2012	229.25	\$300/hr	See Attachment 4	\$ 87,375.00	00.00	\$300.00	00.00
A.	2013	62.00				00.00	\$310.00	00.00



Gundersen								
J. Large	2012	182.25	\$300/hr	See Attachmen t 4	\$ 54,675.00	00.0	\$300.00	00.00
J. Large	2013					00.00	\$305.00	00.00
D. Moss	2012	49.0	\$62.50/ hr	See Attachmen t 4	\$ 3,062.50	00.00	\$60.00	00.00
D. Moss	2013					00.00	\$60.00	00.00
Arjun Makhijani	2012	55.5	\$175/hr	See Attachmen t 4	\$ 9,712.50	00.00	\$175.00	00.00
Annie Makhijani	2012	5.0	\$125/hr	See Attachmen t 4	\$ 625.00	00.00	\$125.00	00.00
C. Mills	2012	6.0	\$75/hr	See Attachmen t 4	\$ 450.50	00.00	\$75.00	00.00
L. Chalmers	2012	37.75	\$90/hr	See Attachmen t 4	\$ 3,397.50	00.00 [15]	\$90.00	00.00
	Subtotal:				\$445,080.75	Original Subtotal:		\$69,756.50
						20% Reduction:		(\$13,951.30)
						Subtotal:		\$55,805.20
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours [16]	Rate	Total \$
L. Chaset	2013	0.8	\$180/h	50% of	\$144.00	0.2	\$177.50	35.50
L. Chaset	2014	42.1	\$185/h r	50% of rate	\$ 7,788.50	0.3	\$182.50	54.75
L. Chaset	2015					10.23	\$182.50	1,866.99
T. Lindl	2013	2.1	\$112.5 0/hr	50% of rate	\$ 236.25	0.53	\$80.0	42.40
T. Culley	2013	1.3	\$100/h	50% of	\$ 130.00	0.33	\$97.5	32.18
D. Moglen	2013	63.25	\$ 75/hr	50% of rate	\$ 4,743.75	0.94	\$77.50	72.85
D. Moglen	2014					14.88	\$80.00	1,190.40

<b>Subtotal:</b>			<b>\$13,042.50</b>	<b>Subtotal:</b>	<b>\$3,295.07</b>
<b>COSTS</b>					
#	Item	Detail	Amount	Amount [17]	
1	Travel	FOE staff travel to miscellaneous meetings in California (see Attachment 5 for detailed expense vouchers)	\$21,524.97	\$10,474.92	
2	Travel	KF&W (L. Chaset) travel to various meetings in Southern California	\$ 2,449.44	\$1,668.83	
3	Copying	Scanning and transmitting documents from earlier CPUC hearings re cost and justification for replacement steam generators	\$ 1,045.35	\$1,045.35	
<b>Subtotal:</b>			<b>\$ 25,019.76</b>	<b>Subtotal:</b>	<b>\$13,189.10</b>
<b>TOTAL REQUEST \$483,503.01</b>				<b>TOTAL AWARD:</b>	<b>\$72,289.37</b>
<p><b>**We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Intervenors' records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision-making the award.</b></p> <p><b>**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer's normal hourly rate.</b></p>					

ATTORNEY INFORMATION			
Attorney	Date Admitted to CA BAR <sup>2</sup>	Member Number	Actions Affecting Eligibility (Yes/No?) If “Yes”, attach explanation
Laurence Chaset	June 23, 1976	68750	No
Timothy Lindl	December 4, 2009	267030	No
Thad Culley	December 1, 2010	271602	No

### C. CPUC Disallowances and Adjustments:

Item	Reason
[1]	<p>Friends of the Earth (FOE) failed to comply with the Intervenor Compensation Program Guidelines in numerous instances. FOE improperly modified the submitted MS Word version of the compensation request form, inappropriately combined claimed hours for multiple years, and inappropriately combined multiple tasks in the same time entry. <i>See</i> Rule 17.4(b)(2), D.12-06-010 and the Intervenor Compensation Program Guide. As we previously stated, “[f]ailures to comply with the intervenor compensation program requirements indicate a shaky grasp of the subject matter or an inattention to providing the Commission with a reasoned and articulate Request for Compensation. Therefore, such failures in compliance will weigh against parties in our consideration of appropriate hourly rates.” <i>See</i> D.00-02-044. After the reductions made below, the hours awarded to Chaset, Lindl, and Culley are reduced by 20% for failure to comply with program guidelines.</p> <p>In addition, as discussed above, the Commission disallowed all hours claimed for issues A, C, and D, as FOE did not substantially contribute to the proceeding in these areas.</p>
[2]	<p>The Commission does not compensate attorneys for work that is clerical in nature, as such work has been factored into the established rates. The following hours are disallowed from Chaset’s claim as clerical: 10/24/2012 – 0.5 hour for finalizing draft motion for party status; 10/25/2012 – 1.5 hours from managing service list and phone class related to filing documents; 10/26/2012 – 1 hour for finalizing and filing a motion and phone call with the Docket office; 10/29/2012 - .2 hour for finalizing “bounce back” list; 01/07/2013 – 1 hour for finalizing PHC statement and transmitting PHC statements; 02/08/2013 – 0.4 hour for setting up meetings; 02/14/2013 – 0.5 hour for revising and transmitting draft Motion; 03/08/2013 – 1.2 hours for finalization of Motion; 03/11/2013 – 0.8 hour for finalization of Motion;</p>

<sup>2</sup> This information may be obtained through the State Bar of California’s website at <http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch> .

	<p>04/02/2013 – 0.6 hour finalizing and filing of Reply; 04/15/2013 – 0.4 hour for finalizing protest; 04/18/2013 – 0.2 hour for finalizing protest; 05/03/2013 – 0.25 hour for finalizing ex parte notice; 04/10/2014 – 0.2 hour for scheduling meetings; and 10/28/2014 – 0.2 hour finalizing statement.</p> <p>In addition, the following hours did not substantially contribute to the Commission's decisionmaking process and are disallowed: 10/25/2012 – 2 hours for review of press release; 12/14/2012 – 1.4 hours listening to CAISO meeting; 01/15/2013 – 1.2 hours related to Bechtel Report; 01/16/2013 - 0.8 hours related to Bechtel Report; 01/18/2013 – 0.4 hour related to Water Board; 01/21/2013 – 1.2 hours related to Water Board; 01/22/2013 – 0.2 hour related to Water Board; and 01/23/2013 – 1 hour related to Water Board.</p>
[3]	D.14-10-022 set Chaset's 2012 rate at \$350. The Commission applied the appropriate cost-of-living adjustments to establish Chaset's 203 and 2014 rates.
[4]	<p>The Commission does not compensate attorneys for work that is clerical in nature, as such work has been factored into the established rates. The following hours are disallowed from Lindl's claim: 10/24/2012 - 2.9 hours for the compiling of a service list and making labels; 10/26/2012 – 1.8 hours for filing an serving motion; 11/01/2012 – 0.4 hours for serving Motion; 01/07/2013 - 1.7 hours for filing and serving PHC statement; 02/12/2013 – 0.5 hours for filing and serving ex parte notice; 02/22/2013 – 0.9 hour for filing and serving notice; 03/04/2013 - 0.45 hour filing and serving motion; 03/11/2013 – 2.5 hours for filing an serving Motion and contacting CPUC docket office; 03/13/2013 - 1.2 hours for revising and filing notice (also removes times as excessive); and 04/02/2013 – 2.1 hours for filing and serving Reply.</p>
[5]	D.14-10-022 set Lindl's 2012 rate at \$155. The Commission applied the appropriate cost-of-living adjustment to establish Lindl's 2013 rate.
[6]	<p>The Commission does not compensate attorneys for work that is clerical in nature, as such work has been factored into the established rates. The following hours are disallowed from Culley's claim as clerical: 02/25/2013 – 0.5 hour for adding signature line to document; 04/11/2013 – 0.67 hour for creating COS and preparing for service; 04/15/2013 – 1.2 hours for filing, filing, and serving Protest; 04/19/2013 – 0.5 hour for updating and refiling Protest; 05/03/2013 – 1.1 hours for filing and serving notice; 06/03/2013 – 1.6 hours for finalizing attachments; and 06/06/2013 -2.67 hours for editing and finalizing motion and preparing documents for filing;</p> <p>In addition, the following hours did not substantially contribute to the Commission's decisionmaking process and are not compensable: 02/07/2013 - 0.4 hour for discussing distribution of press release;</p>
[7]	D.14-10-022 set Culley's 2012 rate at \$190. The Commission applied the appropriate cost-of-living adjustment to establish Culley's 2013 rate.
[8]	Based on the resumes and biographies attached to the claim, the Commission approves the rates requested for: Pica, Moglen, Burnie, Ulrich, Gundersen, Makhijani, Makhijani, Mills, Chalmers, and Moss (D.).
[9]	A large portion of the hours claimed by FOE's internal staff relates to reviewing documents, emailing, and attending meetings. These timesheets reflect internal

	<p>duplication and excessive hours claimed. Such work should have been sufficiently streamlined to promote efficiency and to prevent an excess of hours claimed. <i>See</i> D.07-12-007 (stating “[w]e do not find it reasonable to compensate [intervenor] for excessive hours either in meetings with each other or reviewing each other’s work. We find this process was unreasonably duplicative and believe it resulted in excessive hours given the level of [intervenor’s] contributions to this proceeding.”).</p> <p>As the Commission previously stated, we “compensate[ for] efficient effort that contributed to the proceeding’s outcomes . . . [and] disallow[] inefficient activities and appl[y] reductions to [intervenor’s] hours that reflected excessive internal duplicative efforts, such as numerous internal communications, review of each other’s documents, working on the same materials, engaging in the same tasks and participating in the same events.” D.12-03-024 at 24.</p> <p>For the duplication, the Commission has disallowed 20% of the hours claimed by FOE’s staff members: Pica, Moglen, Burnie, and Ulrich.</p> <p>Some of Pica’s hours claimed related to assisting in the preparation of documents that are not part of the record of the proceeding and did not substantially contribute to the Commission’s decisionmaking process (Issues A,C, and D). As such, the Commission removed the non-compensable items from Pica’s claim.</p>
[10]	<p>Many of Moglen’s hours claimed related to assisting in the preparation of documents that are not part of the record of the proceeding (and discussions with journalists/reading news articles/communications with Senator Boxer’s staff) and did not substantially contribute to the Commission’s decisionmaking process (Issues A, C, and D). As such, the hours awarded reflect only the hours claimed for issues that substantially contributed to the Commission’s decisionmaking process.</p>
[11]	<p>Many of Burnie’s hours claimed related to assisting in the preparation of documents that are not part of the record of the proceeding and did not substantially contribute to the Commission’s decisionmaking process. These hours are labeled as Issues A, C, and D and have been disallowed.</p>
[12]	<p>D.14-12-069 set Moss’s 2012 rate at \$205. The Commission applied the appropriate cost-of-living adjustment to establish Moss’s 2013 rate.</p>
[13]	<p>Based on the timesheet filed, Cohen worked 19 hours in 2013, such work, however, is disallowed as it did not contribute to the Commission’s decisionmaking process.</p>
[14]	<p>Moss and Spalding’s work did not contribute to the Commission’s decisionmaking process and their hours have been disallowed.</p> <p>D.14-12-069 set Spalding’s 2012 rate at \$85. The Commission applied the appropriate cost-of-living adjustment to establish Spalding’s 2013 rate.</p> <p>The Commission sets Cohen’s rate at \$85 - the same as Spalding. Both performed work as research assistants.</p>

[15]	<p>Gundersen's, Makhijani's (Arjun), Makhijani's (Annie), Large's, Moss' (Steven), and Chalmer's work did not substantially contribute to the Commission's decisionmaking process and is not found in the record of the proceeding. This worked related to Issues A and D, which did not substantially contribute to the proceeding. As such, this work is not compensable. <i>See</i> discussions, above.</p> <p>Mill's work, in addition to not substantially contributing to the Commission's decisionmaking process, was duplicative of both Chalmers' and Makhijani's claimed hours. These claimed hours would have been disallowed regardless of the lack of substantial contribution.</p> <p>Based on the timesheet filed, Moss's (Diane) work in 2012 and 2013 consisted of phone-calls and coordinating meetings. While such work may have assisted FOE and the numerous consultants, it did not substantially contribute to the decision. As such, all hours are disallowed.</p>
[16]	<p>Friends of the Earth claims an excessive amount of hours regarding the preparation of the notice of intent to claim intervenor compensation and the request for intervenor. Friends of the Earth claims 109.55 hours in this area. The Utility Reform Network, by comparison, claims 16 hours. As such, we reduce Friends of the Earth compensation by 75% for excessive hours claimed related to intervenor compensation filings.</p>
[17]	<p>Friends of the Earth staff sought compensation for \$1,165.13 of non-compensable expenses (meals, snacks, hotel charges, etc...). These claimed expenses are disallowed.</p> <p>In addition, Section 1802 states, "other reasonable costs" for participation may be compensated by the Commission. Section 1802(d) clarifies that other reasonable costs "means reasonable out-of-pocket expenses directly incurred by a customer that are directly related to the contentions or recommendations made by the customer that resulted in a substantial contribution." Some of FOE's claimed travel expenses were neither reasonable nor were related to recommendations that resulted in a substantial contribution to the proceeding. <i>See above</i>. The Commission removed the costs associated with travel that did not produce substantial contributions to the proceeding.</p> <p>Chaset's receipts, submitted to the Commission via email, document non-compensable expenses. In addition, the Commission does not compensate intervenors for work related to public participation hearings. Chaset's travel for this event is disallowed. The expenses awarded have been appropriately adjusted.</p>

#### PART IV: OPPOSITIONS AND COMMENTS

<b>A. Opposition: Did any party oppose the Claim?</b>	No.
<b>B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(2)(6))?</b>	No.

Party	Comment	CPUC Discussion

### **FINDINGS OF FACT**

1. FOE has made a substantial contribution to D.14-11-040.
2. The requested hourly rates for FOE's representatives, as adjusted herein, are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses, as adjusted herein, are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$72,289.37.

### **CONCLUSION OF LAW**

1. The Claim, with any adjustment set forth above, satisfies all requirements of Pub. Util. Code §§ 1801-1812.

### **ORDER**

1. Friends of the Earth shall be awarded \$72,289.37.
2. Within 30 days of the effective date of this decision Southern California Edison Company and San Diego Gas & Electric shall pay Friends of the Earth their respective shares of the award, based on their California-jurisdiction gas and electric revenues for the 2013 calendar year, to reflect the year in which the proceeding was primarily litigated. Payment of the award shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning April 8, 2015, the 75th day after the filing of Friends of the Earth's request, and continuing until full payment is made.
3. The comment period for today's decision is not waived.

This decision is effective today.

Dated: \_\_\_\_\_, 2016, at San Francisco, California.

**APPENDIX****Compensation Decision Summary Information**

<b>Compensation Decision:</b>		<b>Modifies Decision?</b>	No
<b>Contribution Decision(s):</b>	D1411040		
<b>Proceeding(s):</b>	I1210013		
<b>Author:</b>	ALJ Division		
<b>Payer(s):</b>	Southern California Edison Company and San Diego Gas & Electric		

**Intervenor Information**

<b>Intervenor</b>	<b>Claim Date</b>	<b>Amount Requested</b>	<b>Amount Awarded</b>	<b>Multiplier?</b>	<b>Reason Change/Disallowance</b>
Friends of the Earth (FOE)	January 23, 2015	\$483,503.01	\$72,289.37	No	See CPUC Disallowances and Adjustments, above.

**Advocate Information**

<b>First Name</b>	<b>Last Name</b>	<b>Type</b>	<b>Intervenor</b>	<b>Hourly Fee Requested</b>	<b>Year Hourly Fee Requested</b>	<b>Hourly Fee Adopted</b>
Laurence	Chaset	Attorney	FOE	\$350	2012	\$350.00
Laurence	Chaset	Attorney	FOE	\$360	2013	\$355.00
Laurence	Chaset	Attorney	FOE	\$370	2014	\$365.00
Laurence	Chaset	Attorney	FOE	\$370	2015	\$365.00
Timothy	Lindl	Attorney	FOE	\$215	2012	\$155.00
Timothy	Lindl	Attorney	FOE	\$225	2013	\$160.00



Thad eus	Culley	Attorney	FOE	\$210	2013	\$195.00
Erich	Pica	Expert	FOE	\$200	2012	\$200.00
Erich	Pica	Expert	FOE	\$200	2013	\$205.00
Erich	Pica	Expert	FOE	\$200	2014	\$210.00
Dam on	Moglen	Expert	FOE	\$150	2012	\$150.00
Dam on	Moglen	Expert	FOE	\$150	2013	\$155.00
Dam on	Moglen	Expert	FOE	\$150	2014	\$160.00
Shau n	Burnie	Expert	FOE	\$130	2012	\$130.00
Shau n	Burnie	Expert	FOE	\$130	2013	\$135.00
Ken dra	Ulrich	Expert	FOE	\$75	2012	\$75.00
Ken dra	Ulrich	Expert	FOE	\$75	2013	\$75.00
Steve n	Moss	Expert	FOE	\$225	2013	\$210.00
Silvie Cohe n	Cohen	Research Assistant	FOE	\$150	2013	\$85.00
Ashle y	Spalding	Research Assistant	FOE	\$150	2013	\$85.00
Arnie	Gunderse n	Expert	FOE	\$300	2012	\$300.00
Arnie	Gunderse n	Expert	FOE	\$300	2013	\$310.00
John	Large	Expert	FOE	\$300	2012	\$300.00
John	Large	Expert	FOE	\$300	2013	\$305.00
Diane	Moss	Expert	FOE	\$62.50	2012	\$60.00
Diane	Moss	Expert	FOE	\$62.50	2013	\$60.00
Arjun	Makhijani	Expert	FOE	\$175	2012	\$175.00
Anni	Makhijani	Expert	FOE	\$125	2012	\$125.00

e						
Chris tina	Mills	Attorney/ Advocate	FOE	\$75	2012	\$75.00
Lois	Chalmers	Librarian (Paralega l)	FOE	\$90	2012	\$90.00

**(END OF APPENDIX)**